

Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 07494 221239Z
ACTION NEA-10

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-01 H-02 INR-07 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-02 AID-05 SS-15 STR-04
ITC-01 TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00
OMB-01 CU-06 /099 W
-----000201 221415Z /40

R 221138Z AUG 77
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 4191

UNCLAS TEHRAN 7494

E.O. 11652: N/A
TAGS: ECON EGEN IR
SUBJ: PRIME MINISTER'S SPEECH TO MAJLIS

1. ON AUGUST 18 PRIME MINISTER AMOUEZGAR PRESENTED HIS PROGRAM TO THE MAJLIS. HE SAID HIS ENTIRE PROGRAM COULD BE SUMMED UP IN ONE SENTENCE: "MORE AND GREATER EFFORTS, WITH A HIGHER LEVEL OF EFFICIENCY COUPLED WITH SINCERITY AND FRANKNESS IN THE IMPLEMENTATION OF THE SHAH-PEOPLE REVOLUTION." POLITICAL VERGIAGE ASIDE, HE ADMITTED THAT THE RAPID ECONOMIC GROWTH OF THE PAST FEW YEARS HAD CAUSED PROBLEMS AND THAT THE RATE OF ECONOMIC GROWTH MUST BE SLOWED DOWN. HE SPECIFICALLY MENTIONED INFLATION AND LIMITATIONS IN MANPOWER, ELECTRICITY, BUILDING MATERIALS, COMMUNICATION, AND URBAN SERVICES. HE ALSO CITED IMBALANCES WITHIN THE ECONOMY SUCH AS THE RELATIVELY SMALL ROLE PLAYED BY THE PRIVATE SECTOR, THE RELIANCE ON OIL AS THE SOLE FOREIGN EXCHANGE EARNER, AND THE FAILURE OF THE RURAL SECTOR TO KEEP PACE WITH URBAN DEVELOPMENT.

2. WHILE GIVING VERY FEW DETAILS, THE P.M. OUTLINED HIS ECONOMIC PLICIES AS FOLLOWS: THE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEHRAN 07494 221239Z

PROVISION OF LOW-COST HOUSING (18TH PRINCIPLE OF THE SHAH-PEOPLE REVOLUTION) WILL BE GIVEN THE HIGHEST PRIORITY; THE NEED TO OVERCOME EXISTING BOTTLENECKS BY INCREASING PUBLIC SECTOR INVESTMENTS IN "INFRASTRUCTURE FIELDS" SUCH AS ELECTRICAL POWER, EDUCATIONAL FACILITIES, ROADS, RAILROADS, PORTS, AND AIR-

PORTS; A CONTINUING CAMPAIGN AGAINST INFLATION; REDUCE DEPENDENCE ON OIL REVENUES BY STIMULATING NON-OIL SECTOR GROWTH AND "CREATING" NEW SOURCES OF REVENUES (TAXES); THE CREATION OF CONDITIONS, INCLUDING A "REASONABLE PRICING POLICY", TO ENCOURAGE AGRICULTURAL PRODUCTION, WHICH WOULD LEAD TO "SELF SUFFICIENCY" IN BASIC COMMODITIES AND CHECK THE MIGRATION FLOW FROM THE RURAL AREAS TO THE CITIES; ACCEPTING FOREIGN INVESTMENT IN FIELDS WHICH WOULD LEAD TO TECHNOLOGY AND MANAGERIAL TRANSFER AND ACCESS TO INTERNATIONAL MARKETS. HE ACKNOWLEDGED A LESS THAN SUCCESSFUL PROGRAM OF WORKER PARTICIPATION IN INDUSTRY WHEN HE SAID THAT "CORRECT IMPLEMENTATION" OF THE PRINCIPLE OF PROFIT-SHARING WILL BE ON THE "GOVERNMENT'S AGENDA". HE ALSO CITED THE NECESSITY OF ESTABLISHING A DIRECT RELATIONSHIP BETWEEN WAGES AND WORKER PRODUCTIVITY.

3. BESIDES ECONOMICS, P.M. AMOUZEGAR OUTLINED SOME ADMINISTRATIVE POLICIES: IMPLEMENTATION OF THE RECENTLY ANNOUNCED 19TH PRINCIPLE (ETHICS) OF THE SHAH-PEOPLE REVOLUTION (SEPTEL), DECENTRALIZATION, PROGRAMS TO COMBAT CORRUPTION, ETC. HE ALSO MENTIONED GREATER EDUCATIONAL OPPORTUNITIES FOR WOMEN, A LIMIT ON GOVERNMENT SUBSIDIES TO BASIC GOODS, A CONTINUED DEDICATION

UNCLASSIFIED

UNCLASSIFIED

PAGE 03 TEHRAN 07494 221239Z

TO A STRONG MILITARY.

4. ON FOREIGN POLICY, AMOUZEGAR HAD THE FOLLOWING TO SAY: "IRAN WILL FOLLOW AN INDEPENDENT FOREIGN POLICY

P

AND IN CONSEQUENCE WILL MAINTAIN RELATIONS WITH ALL COUNTRIES ON THE BASIS OF PEACEFUL COEXISTENCE, UNDERSTANDING, MUTUAL RESPECT, AND THE UN CHARTER. IN APPLYING THIS POLICY THE GOI WILL WORK IN FAVOR OF STABILITY, PEACE, WELL BEING AND THE SECURITY OF THE REGION."

5. COMMENT: LITTLE OF A SUBSTANTIVE NATURE WAS LEARNED FROM THE P.M.'S SPEECH. HOWEVER, IT IS CLEAR THAT THE GOVERNMENT NOW RECOGNIZES THAT THE HIGH RATES OF RECENT ECONOMIC GROWTH ARE NOT SUSTAINABLE AND THAT A PERIOD OF "BALANCED GROWTH" IS THE ORDER OF THE DAY.

SULLIVAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, ECONOMIC GROWTH, INFLATION, ECONOMIC ASSISTANCE, HOUSING, SPEECHES
Control Number: n/a
Copy: SINGLE
Sent Date: 22-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TEHRAN07494
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770302-0830
Format: TEL
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770836/aaaabdzm.tel
Line Count: 112
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b80f6956-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1523746
Secure: OPEN
Status: NATIVE
Subject: PRIME MINISTER'S SPEECH TO MAJLIS
TAGS: ECON, EGEN, SOPN, IR, (AMOUZEGAR, JAMSHID)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/b80f6956-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009